

Downtown Morgan Hill

Downtown Update Implementation Plans & the RFQ

September 16 and 21, 2009



TONIGHT

Provide an update on the Implementation Plan + release of the Request for Qualified Developers

- Background: Vision + Specific Plan + Third Street + Cinema
- Implementation Activities, Council Actions & Directions
- Illustrating the Vision + Success Factors + Investment Climate + Competition + Retail Strategy
- Capacity Studies + 11-Point Plan + 1st Phase Project
- Re-establish Cinema in First Phase
- Request for Qualified Developers (RFQ)

BACKGROUND

- Downtown Specific Plan (November 2009)
update of the 2003 Downtown Plan - with the goal to
Achieve the Community's 2003 Vision
- DT Implementation Activities
- Third Street Promenade
- Public Parking and Circulation Strategies
- RFQ to be released soon

www.morganhill.ca.gov/downtown

Downtown Morgan Hill



Community's 2003 Vision for Downtown

- Active, attractive, **uniquely** Morgan Hill
- Pedestrian-friendly Downtown Village
- Social & activity heart; public events
- Multi-Modal Transit-Oriented; Train Depot



COMPONENTS

- Residential : 24-hour energy & diverse customer base
- Specialty Retail, Restaurants & Entertainment Uses
- Office space & County Courthouse
- Convenient Public Parking: plus Lighting & Landscaping



DT Specific Plan - 2009

- Vision
- Land Uses
- Development Standards
- Circulation
- Design and Signage Guidelines
- Parking Strategy
- Infrastructure
- Implementation



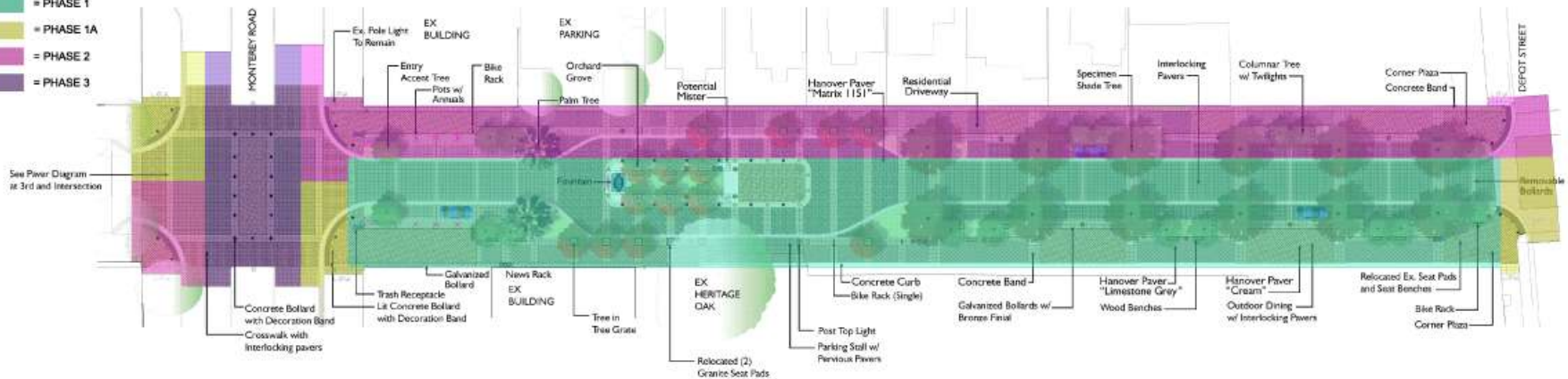
Third Street Promenade



KEY

- = PHASE 1
- = PHASE 1A
- = PHASE 2
- = PHASE 3

See Paver Diagram at 3rd and Intersection



THIRD STREET PROMENADE CONSTRUCTION PHASES



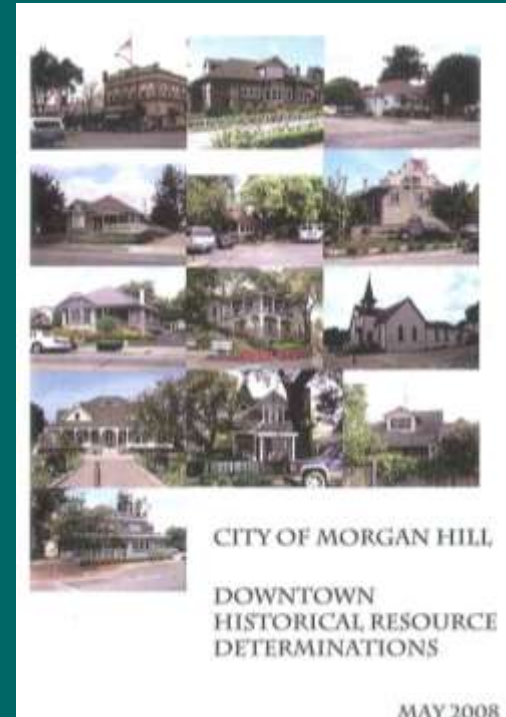
Historic Context & DT Historic Resources

Context



- Defined 6 major themes for MH
- Themes provide basis for determination of local significance
- Nov. 2006 - Council accepted

Resources



- Evaluated 32 Properties
- Identified 5 as Significant Local Resources, 2 as Potentially Significant Local Resources
- 2008, Council adopted Resolution

History of Cinema in Downtown

April 1923 to 1952



- At 17330 Monterey (btwn. 2nd & 3rd)
- From 1938 Promotional Video
- now Legends Bar & Grill

1952 to Sept. 2003



- At 17440 Monterey (btwn. 1st & 2nd)
- 2 screens (split mid 1980's?)
- Currently ~240 seats each side

Implementation Activities

- Properties Purchased (development site assembly)
- Capacity Studies & 6 Opportunity Sites
- First Phase Sites & 11-point Plan
- Cinema & Operator
- First Phase RFQ for Developers - 4 Opportunity Sites

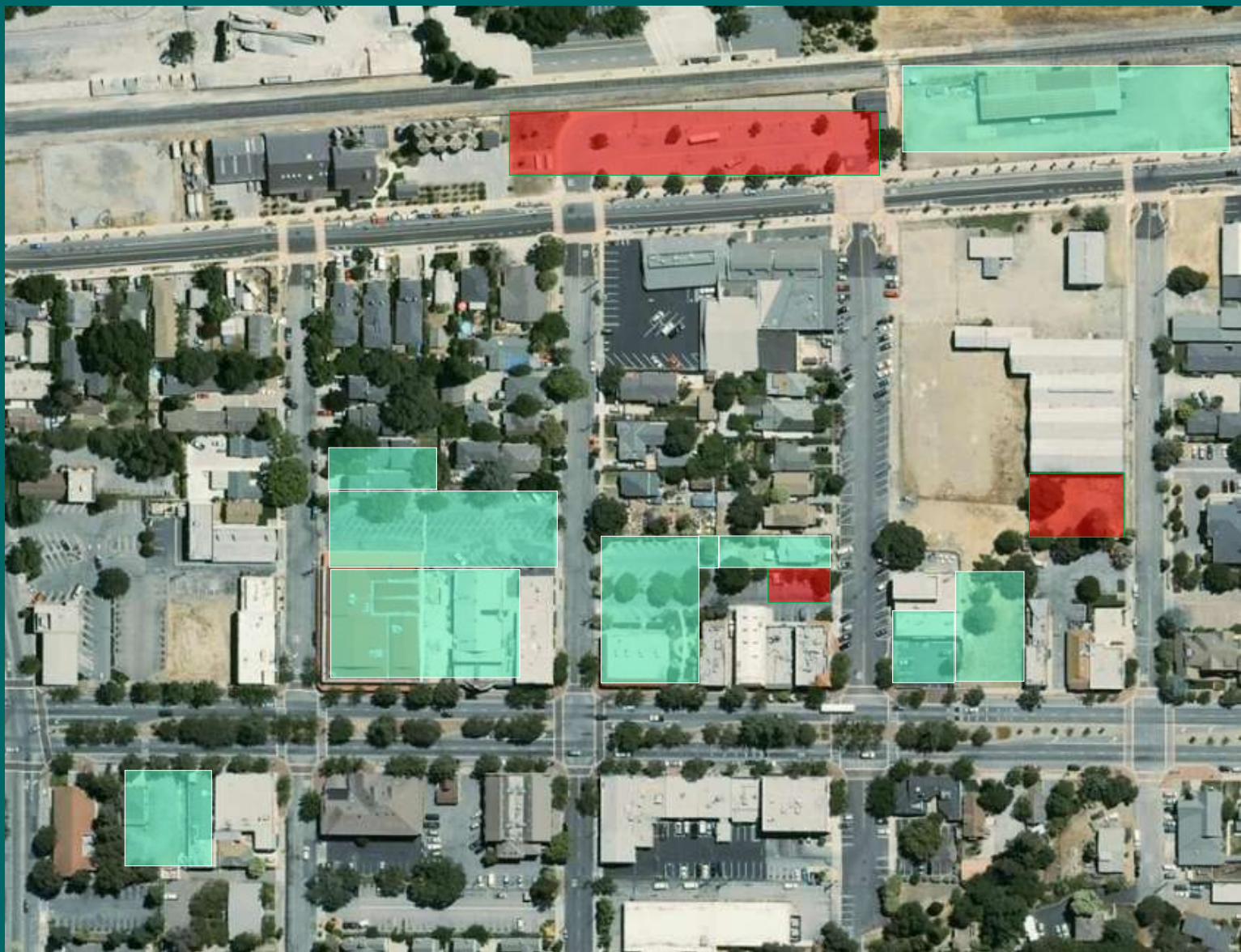
Key Property Purchases (by City RDA)

- Monterey / E. 1st St. (A): Downtown Mall / Techon / Granada / Parking / Duplex
- Monterey / E. 2nd St. (B) – Royal Clothier / Christopher Travel / Parking / Pocket Park
- Monterey / E. 3rd St. - Simple Beverages + 2 vacant Lots
- Monterey: “Sinaloa” - “Gamers”: parking lot
- 35 East Third Street - behind Rosy’s Legends, Fuzia

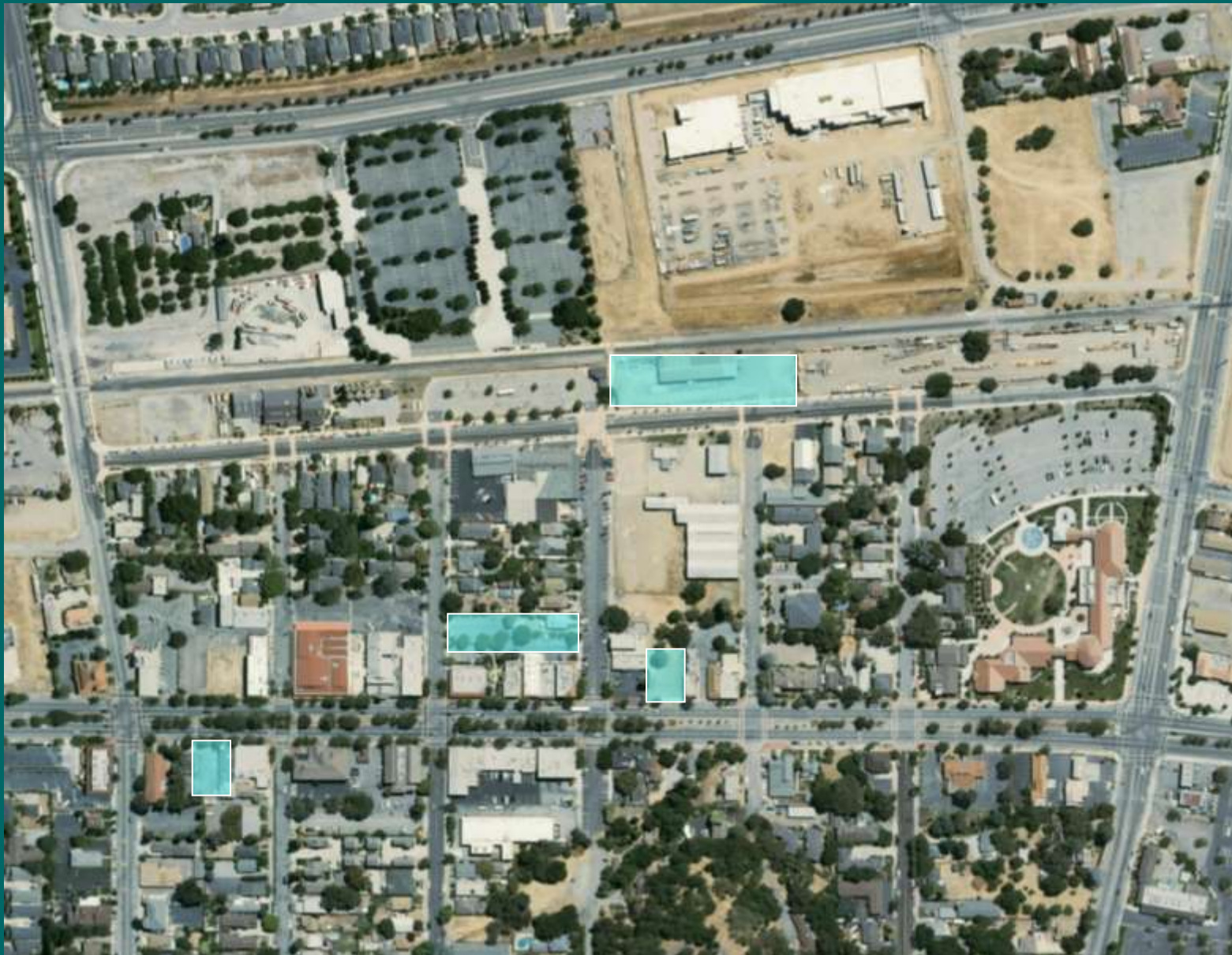
expand permanent parking lot & improve circulation

Prior Holdings: VTA, E. 3rd St lot, E. 4th St., across W. 3rd St. bridge

RDA Purchases



Additional Public Parking









Recent – Future DT Council Actions

Recent

- Jan. 20: Joint Council & Planning Comm. Workshop (10 point plan)
- Feb. 12: Joint MH Downtown Assoc. & Chamber of Commerce
- Feb. 18: Council/RDA Board - approval (11 point plan)
- May 6: Council/RDA Board - move forward with Cinelux
- June 3: Council/RDA Board – receive Henry Arch. presentation
- July 15: Council/RDA Board – cinema update + \$310,000

Future

- September 2009: release RFQ for First Phase Project
- December 2009: responses to RFQ due
- March 2010: confirm terms of ENA
- July 2010: review concept plan
- November 2010: consider DDA
- Spring/Summer 2011: start construction on first phase project
- Fall/Winter 2012: complete construction

Illustrating the Vision Views of Downtown

- Key Buildings & Features
- Vacant or Under-utilized Sites
- Potential for Re-Development
- Other Cities

Key Landmark Buildings & Features

- Monterey & E. 2nd Street
 - **Votaw** (Hot Java) old Bank of America
- Monterey & W. 3rd Street
 - **Skeels Hotel** (Ragoots) Monterey & E. 3rd
- Monterey & E. 3rd Street
 - **Cornerstone** (Main Street Bagels)
- E. 3rd Street
 - **Morgan Hill Times** (Poppy's)
- Granada Sign





More Examples



More Examples



Examples of Vacant or Under-utilized Sites (just those bordering Block 4)

- E. 3rd / Depot
 - Old Sunsweet plant
- Monterey & E. 3rd
 - Simple Beverages + 2 lots
- Depot & E. 4th
 - Vacant Lot (next to EMF Motorcycles)
- Monterey between W. 3rd & W. 4th
 - Single family home (Portraits by Rebecca)





Sunsweet

Depot & E. 4th St

Sunsweet

Depot & E. 3rd St





Recently Improved Buildings



Different Uses



Opportunities





Existing Downtown Mall

Artist Concept
of what a new
building might
look like (view
looking south)





Existing Downtown Mall
with Votaw Building in
foreground

Artist Concept
of what a new
building might
look like (view
looking north)



Examples of Future Opportunities



Other Cities

1. Alameda
2. Campbell
3. Castro Valley
4. Danville
5. Gilroy
6. Hayward
7. Healdsburg
8. Livermore
9. Los Gatos
10. Mountain View
11. Napa
12. Palo Alto
13. Pleasanton
14. Redwood City
15. San Mateo
16. Santa Cruz
17. San Rafael





Downtown Success Factors

- Downtown Character
- Brand & Image
- Retail: amount of space & mix
- Housing: number of units & mix
- Parking: quantity & location
- Tipping Point – Density Required
- Flexibility - Balance

External Constraints affecting the overall Investment Climate

- International Financial Crisis (is it ending?)
- Global Recession (V vs. U recovery?)
- Property Developers: commercial & residential (still under stress?)
- Retailer bankruptcy or expansion plans on hold (is this ending?)
- Federal / State / Local budget stress (still an issue)

Retail Competition

- City-wide Strategy

focus on auto dealerships + interested national & regional retailers

(eg: Trader Joes, DSW Shoes)

- Local Competition

4 Major Shopping areas:

(1) Monterey/Tennant; (2) Dunne/101; (3) Cochrane/101; (4) Downtown

- Three Theater Sites

- CineLux Tennant Station Stadium (11 screens – 1,333 seats)
- Cochrane Commons (16 screens, 3,000 seats) – approved
- Downtown Granada (2 screens – approx. 480 seats) - vacant

Downtown Retail Strategy

- Specific Plan Identifies

Restaurants – Entertainment – Food & Grocery - Bakeries – Produce – Wine & Cheese – Home Furnishings – Niche shops

- Suggested Downtown ANCHOR Strategy

Create 5 viable “anchor-type” retail spaces on 5 key corners

- Anchors would be:

- operators with other locations: either regional or sub-regional
- Preferably not restaurants as anchors
- Examples: Sports (SkateBoard shop), Kitchenware, Health (spa, yoga), others
- Not likely to be international or national retailers

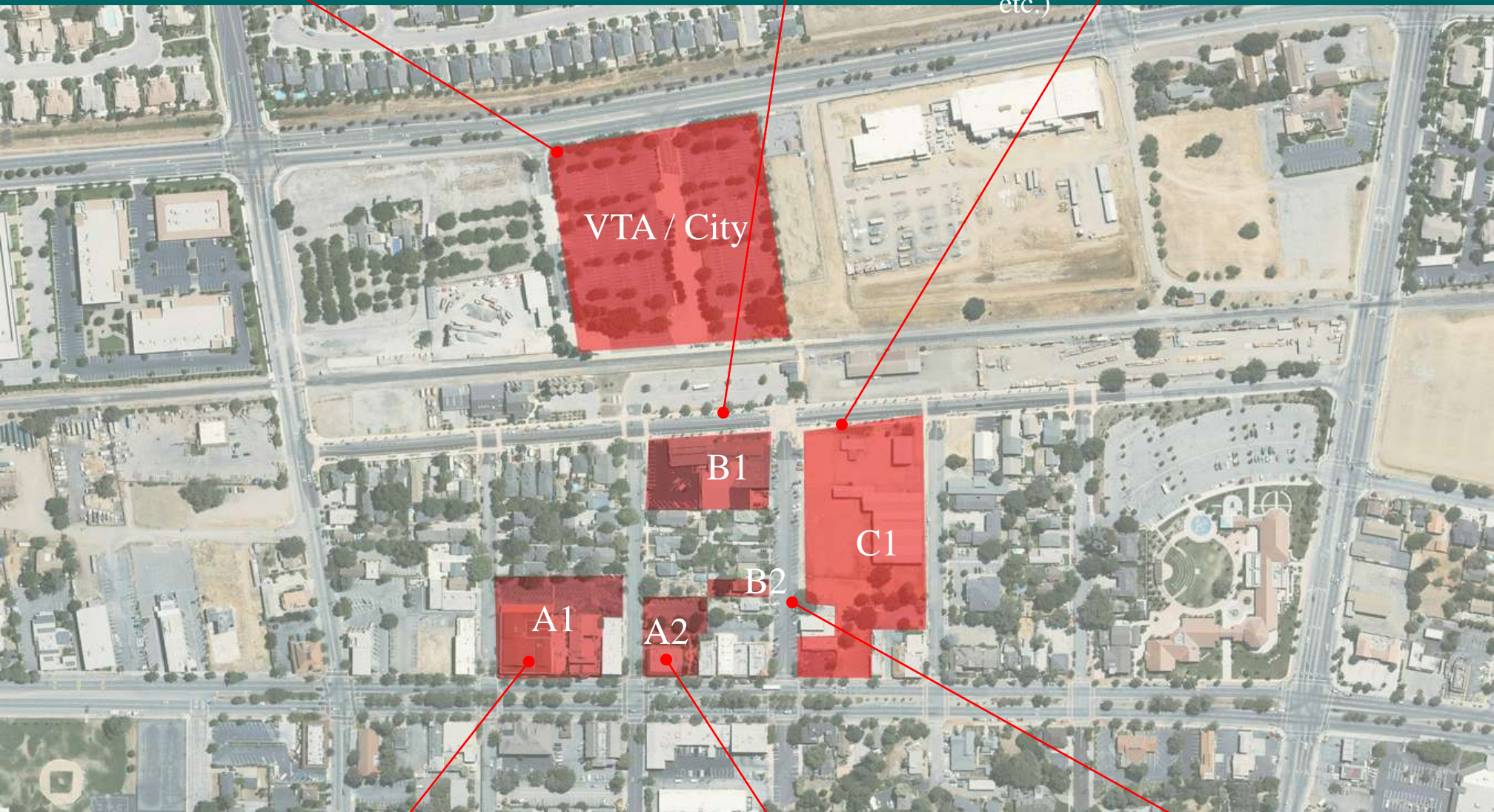
(e.g. Nordstrom, Crate & Barrel, Best Buy, Office Depot, Barnes & Noble, Sports Authority, Michaels – to name just a few)

Capacity Studies & 6 Opportunity Sites

1. Downtown Mall / Gran(A) – retail, residential & parking
2. Royal Clothiers (B) – cinema, office & parking
3. Depot Square / Booksmart (C) - retail, residential & parking
4. 45 E. 3rd St. – retail in front of existing home
5. Block 4, Sunsweet plus - retail, residential & parking
6. VTA/City (D) - residential & commuter parking, maybe mixed-use?

Block 16 – VTA / RDA property (Caltrain lot)
B1: Block 3 – 95 E. 3rd (Depot Center, Booksmart,
etc.)

C1: Block 4 – south side E. 3rd (Sunsweet,
etc.)



A1: Block 2 (RDA) – Monterey & E. 1st/2nd (DT Mall)

A2: Block 3 (RDA) – Monterey & E. 2nd
B2: Block 3 - 45 E. 3rd (single family
home)

Map of the 6 Opportunity Sites

Downtown Opportunity Sites - *Maximum Capacity*



5 West Opportunity Sites

Residential: 428 Dwelling Units
Retail: 102,200 GSF
Commercial: 6,000 GSF
Parking: 642 Residential Spaces
210 Surface Spaces
Heights: 4 Stories (45')

VTA/City Site

Residential: 284 Dwelling Units
Parking: 426 Residential Spaces
560 Space VTA Garage
Heights: 3-4 Stories (45')

11-Point Implementation Program

1. Construct E. 3rd & Depot lot: 92 spaces
2. Purchase Monterey & E. 3rd & construct a temporary public parking lot: 17 paces
3. Complete Third Street Promenade
4. Develop downtown Residential Development Control System (RDCS) strategy
5. Reach consensus on preferred location for Granada theater
6. RFQ/RFP for Phase One Opportunity Site
7. 45 E. 3rd to construct a new retail space facing Third Street Promenade
8. 95 E. 3rd to construct a new retail frontage facing Third Street Promenade
9. Refine leasing strategy for RDA-owned retail spaces (ongoing)
10. Continue mitigation strategies for affected retail tenants (ongoing)
11. Pursue temporary re-opening of existing Granada

First Phase Sites



DT Cinema: Design + Operator

- At Monterey and E. 2nd Street
- 1st Floor: Retail
- 1st Floor: Parking in rear (existing lot)
- 2nd & 3rd Floors - cinema (4 screens – 477 seats)
- 2nd & 3rd Floors – office space
- Possible 4th Floor – residential with a setback
- CineLux Theaters has expressed interest in operating the existing Granada on an interim basis, once an agreement is reached on their operation of the new cinema

GROUND FLOOR PLAN

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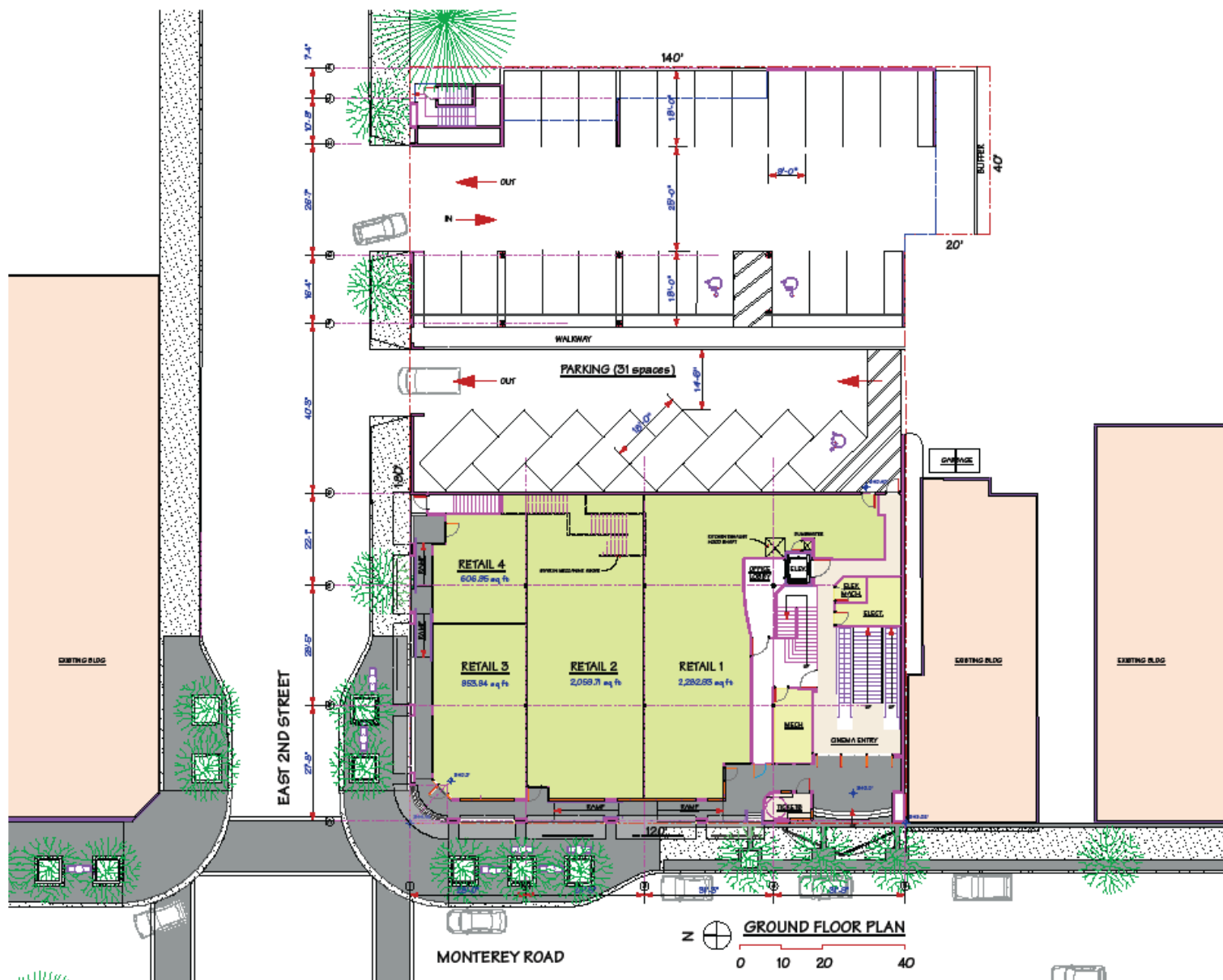
Preliminary Design :
Cinema, Retail, and Office Building
for the
City of Morgan Hill
East 2nd Street and Monterey Street
Morgan Hill, Ca

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SHEET

A4



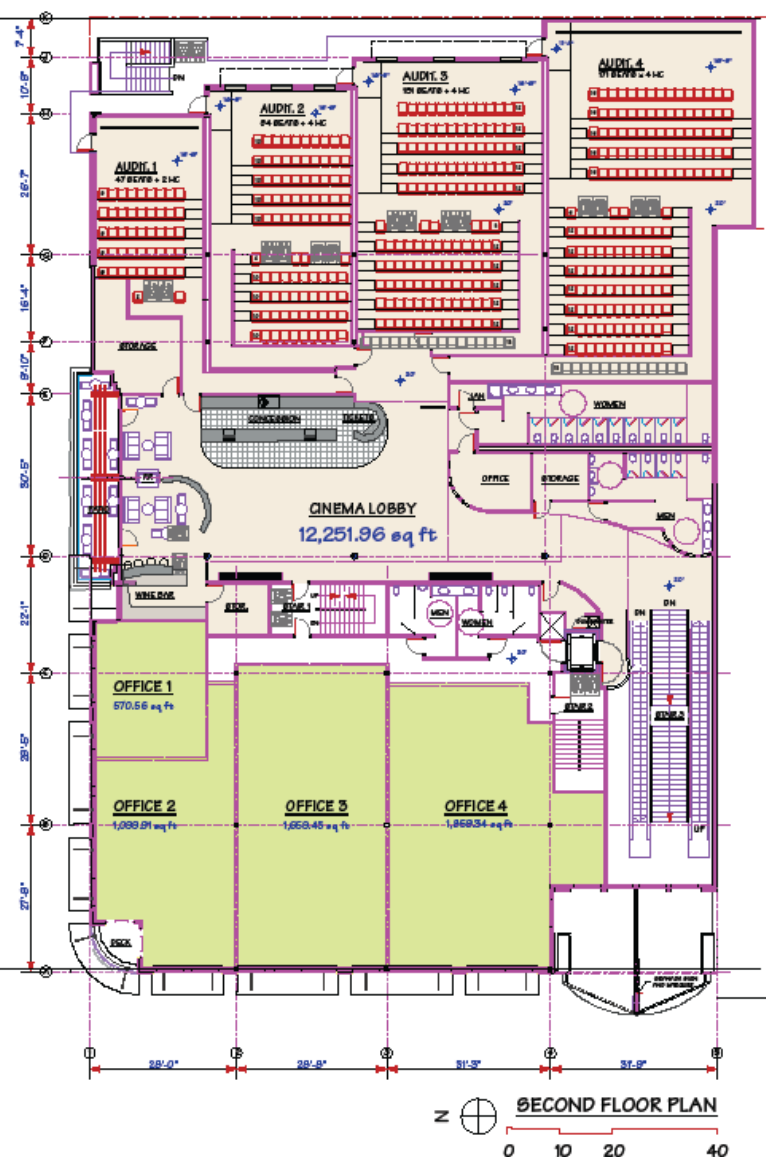
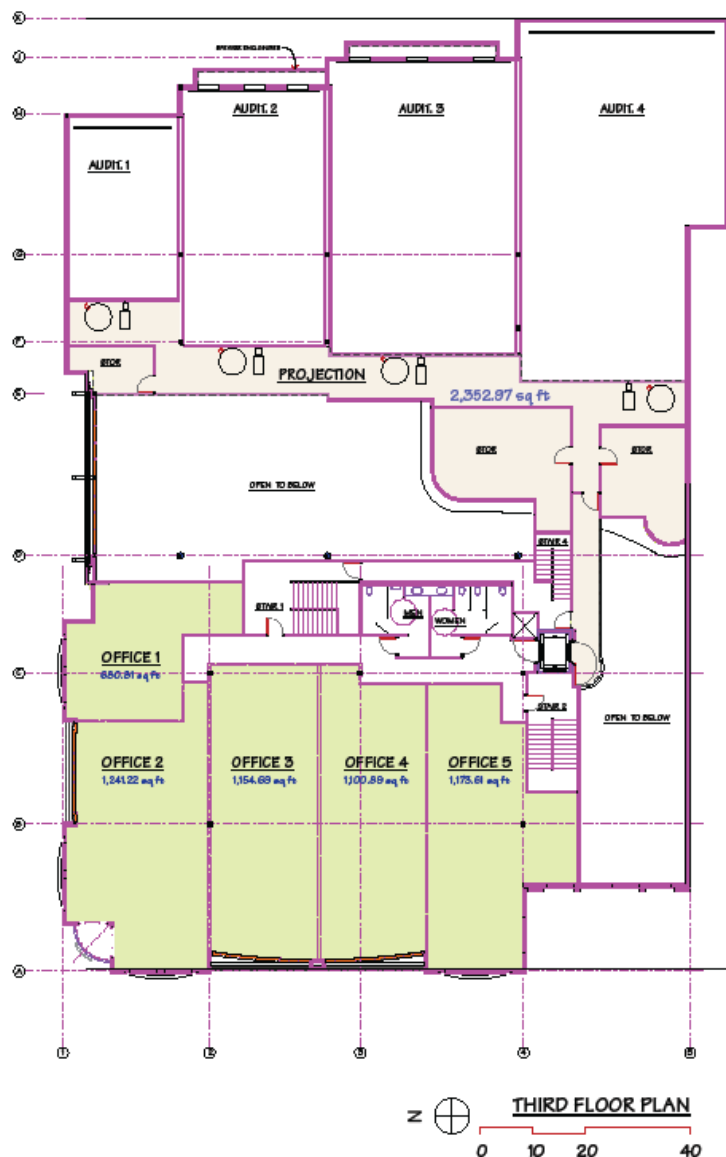
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2ND AND 3RD FLOOR PLANS

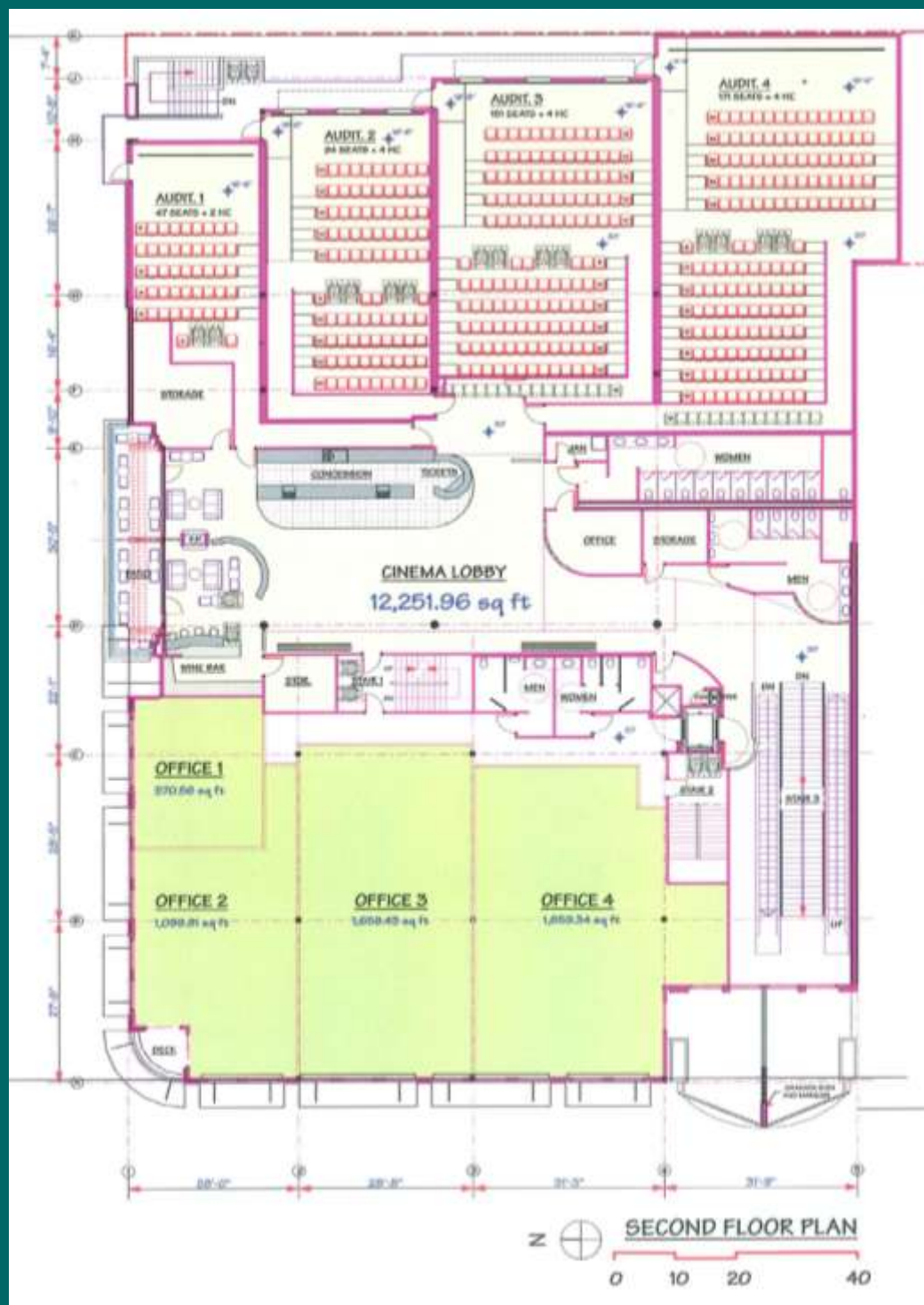
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RENDERING VIEW 1

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VIEW 1 LOOKING SOUTH EAST SHEET A10



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RENDERING VIEW 2

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VIEW 2 LOOKING NORTH

SHEET A11

VIEW 5 LOOKING SOUTH WEST



VIEW 4 CORNER VIEW



VIEW 3 LOOKING SOUTH

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RENDERINGS 3, 4 & 5

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SHEET A12

Request For Qualified Developers (RFQ)

Requesting your questions and comments

- 4 Sites: (A) DT Mall/Granada; (B) Royal Clothiers; (C) Depot Center/Booksmart; (D) VTA/Caltrans
- Soliciting interest in 1st phase project: response could be one site or multiple sites
- Re-establishment of cinema DT is a first phase goal
- Could be Henry Arch. concept plan for Site B or other
- Specific Plan / MEIR / Measure A
- Agenda next Wed. 9/23/09 – responses 12/14/09

Four RFQ Opportunity Sites



Four RFQ Opportunity Sites



SITE	ACRES	OWNERSHIP	EXISTING USE	DEVELOPMENT CONCEPT	NOTES
A	1.47	Agency	retail, residential and parking	Retail, residential	
B	0.51	Agency	retail, parking and pocket park	Cinema, retail, public parking	Also potentially office space
C	1.08	Private	retail and parking	Retail, residential	Also potentially office space; must secure site control
D	6.89	VTA / Agency	parking for commuter rail	Residential, commuter parking	Potential office &/or retail also; must secure site control

RFQ – Timing

(tentative and therefore subject to change)

- Release: September 28, 2009
- Responses Due: December 14, 2009
- Exclusive Negotiating Agreement: March 2010
- Review Concept Design, Development Program, Agency Financial Role, etc.: July 2010
- Disposition and Development Agreement: November 2010
- Construction: Spring/Summer 2011 to Fall/Winter 2012

SUMMARY / QUESTIONS / COMMENTS

- Background: Vision + Specific Plan + Third Street + Cinema
- Implementation Activities, Council Actions & Directions
- Illustrating the Vision + Success Factors + Investment Climate + Competition + Retail Strategy
- Capacity Studies + 11-Point Plan + 1st Phase Project
- Re-establish Cinema in First Phase
- Request for Qualified Developers (RFQ)
- Requesting your feedback on the RFQ

Downtown Morgan Hill

Thank You

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